Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

LIMITED OFFICIAL USE

PAGE 01 USNATO 06776 01 OF 02 101638Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 INR-10 L-03 ACDA-12
NSAE-00 PA-01 SS-15 SP-02 ICA-11 TRSE-00 H-01
PER-01 /074 W
----------074316 101706Z /47
P 101626Z JUL 78
FM USMISSION USNATO
TO SECSTATE WASHDC PRIORITY 2784
SECDEF WASHDC PRIORITY
INFO USNMR SHAPE BE PRIORITY

LIMITED OFFICIAL USE SECTION 01 OF 02 USNATO 06776

STATE FOR EUR/RPM-REHFELD, DG, L/M AND LEG/CLS

DEFENSE FOR DASD(C)A, DIR. PERS/SECURITY (WHS),
GENCOUNS AND LEGISLATIVE AFFAIRS

USNMR SHAPE FOR CPO NSSG(US)-BLAKE

E.O. 11652: N/A
TAGS: AORG, NATO
SUBJECT: NATO DIRECT HIRE OF U.S. CITIZENS

REFS: A. USNATO 4789, B. STATE 160921

-
1. IN RESPONSE TO PARA 2A, REFTEL B:

A. CURRENT SECONDED POSITIONS FILLED BY US INCUMBENTS,
BY ORGANIZATION, ARE:

(1) NATO IS 8
(2) CEOA 1
(3) NATO DEF COLLEGE 1
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 USNATO 06776 01 OF 02 101638Z

(4) NICSMA 14
(5) NAMSA 11

B. OF 34 DIRECT HIRE POSITIONS HELD BY US NATIONALS, ONLY
NINE ARE OF DEFINITE DURATION WHICH COULD BE SECONDED
IN FY 79. (FYI: WE HAVE NOT RECEIVED REPLIES TO OUR
4 APRIL 1977 LETTERS INDICATING SECONDMENT AS A VIABLE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

OPTION FOR DIRECT HIRE EMPLOYEES SO WE HAVE NO INDICATION
OF HOW MANY OF THE NINE WOULD ACCEPT SECONDMENT. END FYI)
THESE DEFINITE CONTRACT DIRECT HIRES, BY ORGANIZATION AND
DATE OF DEFINITE CONTRACT EXPIRATION ARE:

(1) MS. NESHER (B3) IS 14.3.79
(2) MR. GONZALEZ (A3) IS 30.11.78
(3) MR. HERZOG (A3) IS 31.8.80
(4) MR. ALBIN (A3) STC 15.2.79
(5) MR. CLINE (A3) STC 31.7.79
(6) MR. SLEGERS (B4) NAMSA 30.4.82
(7) MR. SCHULTZ (B5) NAMSA 31.1.82
(8) MR. HELLER (B4) NATO HAWK 30.4.79
(9) MS. CHENIVESSE (B2) AGARD 15.1.79

C. HENCE, THE TOTAL NUMBER OF DOD SPACES REQUIRED TO
COVER INCUMBENTS FOR SECONDMENT ARE FORTY-FOUR (44).
(FYI: ONGOING NOMINATIVE ACTIONS FOR FY 79, BASED ON
PAST EXPERIENCE, COULD ADD A FURTHER NINE POSITIONS
TO THIS OVERALL 44 FIGURE. IN THIS REGARD, CURRENT
VOUCHERED POSITIONS AVAILABLE TRADITIONALLY FOR
SECONDMENT ACTION ARE:

(1) NATO IS 9
(2) CEOA 2
(3) NATO HAWK 1 (BEING TRANSFERRED TO NATO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 USNATO 06776 01 OF 02 101638Z

- DEF COLLEGE)
(4) NICSMA 16
(5) NAMSA 16

THIS VOUCHERING SHOULD COVER THE ONGOING ACTIONS AND OUGHT
NOT BE USED FOR DIRECT HIRE COVERAGE, IF AT ALL POSSIBLE.
END FYI)
2. CONCERNING PARA 2B, REFTEL B, CPO NSSG(US) FURNISHES
INFORMATION THAT EXCEPTIONS MUST BE MADE TO GIVE OVERSEAS
LIMITED APPOINTMENTS (OLA) TO GS-10'S AND ABOVE, AND, IN
APPLICABLE CASES, TO APPOINT PERSONNEL WHO HAVE BEEN
OVERSEAS MORE THAN FIVE YEARS. DEPARTMENTAL APPROVAL ON
THESE WOULD BE SUFFICIENT. OTHER CONSIDERATIONS ARE
ENTITLEMENT TO LOCAL QUARTERS ALLOWANCE (LQA) AND
TRANSPORTATION AGREEMENT. EACH APPOINTEE'S CASE WOULD
BE DECIDED BASED ON ITS MERITS. SINCE OLA DOES NOT
CONFER STATUS, PERSONNEL WOULD BE EXCLUDED FROM CIVIL
SERVICE RETIREMENT SYSTEM AND ONCE 5-YEAR LIMITATION
AGREEMENT IS APPLIED TO THEM, THEY WOULD BE INELIGIBLE
TO REGISTER IN DOD PRIORITY PLACEMENT PROGRAM FOR
CONTINUED CIVIL SERVICE EMPLOYMENT IN CONUS. RECOMMEND
EFFORTS BE MADE TO OBTAIN SELECTIVE CERTIFICATION FROM

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

THE CIVIL SERVICE COMMISSION FOR THESE PERSONNEL. PERSONNEL APPOINTED MUST, OF COURSE, MEET CIVIL SERVICE QUALIFICATION STANDARDS. ALSO, FEASIBILITY OF GRANTING ADVANCE STEP IN PAY GRADE BASED ON SENIORITY OF EMPLOYEE IN THE SAME NATO POSITION AND GRADE SHOULD BE EXPLORED. (FYI: REGARDING 5-YEAR RULE, WE WOULD HOPE THAT DIRECT HIRE PERSONNEL ACCEPTING SECONDMENT STATUS WOULD HAVE THEIR FIVE YEARS START AT TIME OF SECONDMENT WITH NO PRIOR SERVICE BEING COUNTED. END FYI)

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 USNATO 06776 02 OF 02 101645Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 INR-10 L-03 ACDA-12
NSAE-00 PA-01 SS-15 SP-02 ICA-11 TRSE-00 H-01
PER-01 /074 W
----------074361 101706Z /47
P 101626Z JUL 78
FM USMISSION USNATO
TO SECSTATE WASHDC PRIORITY 2785
SECDEF WASHDC PRIORITY
INFO USNMR SHAPE BE PRIORITY

LIMITED OFFICIAL USE SECTION 02 OF 02 USNATO 06776

3. CONCERNING PARA 2C, REFTEL B, CPO NSSG(US), THE PROPOSED SERVICING AGENT, INDICATES THAT THEY CAN IMPLEMENT RECRUITMENT FOR APPOINTMENTS LOCALLY, ON A CASE BY CASE BASIS. THE PROPOSAL TO DESIGNATE AS ADMINISTRATIVE AGENT THE DEPARTMENT OF ARMY, WITH SERVICING BEING ACCOMPLISHED BY THE CPO NSSG(US) IS APPROPRIATE. INDEED, THE U.S. ADMINISTRATIVE AGENT MIGHT BE THE AIR FORCE OR NAVY DEPARTMENTS DEPENDING ON LOCATION OF NATO AGENCIES WHERE US PERSONNEL ARE TO BE SECONDED. WE BELIEVE, FOR EXAMPLE, THAT THE AIR FORCE WOULD PROVIDE THIS SERVICE FOR STC AND PERHAPS AGARD WHILE OTHER POSITIONS AT THE MOMENT FOR IS, NAMSA, NICSMA, CEOA, NATO HAWK, AND NATO DEF COLLEGE ARE COVERED BY CPO NSSG. THE USNATO DIRECTOR OF ADMINISTRATION, SECURITY AND PERSONNEL WOULD ESTABLISH OPERATING PROCEDURES FOR PROCESSING OF PERSONNEL WITH THE APPROPRIATE ADMINISTRATIVE AGENTS, ONCE IDENTIFIED.

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

4. AS CONCERNS THE ALTERNATIVE OF A NEW AGREEMENT WITH NATO MODIFYING AR. XIX OF THE OTTAWA AGREEMENT TO PERMIT THE USG TO TAX DIRECT HIRES, PARA 3, REFTEL B, WE DO NOT BELIEVE IT WOULD BE PRODUCTIVE TO RAISE THIS POINT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 USNATO 06776 02 OF 02 101645Z

WITHIN THE ALLIANCE. ALTHOUGH WE DO NOT BELIEVE SUCH ACTION WOULD NECESSARILY CAUSE ACTUAL CHANGE IN OTHER NATIONS' TAX APPROACH TO THEIR OWN NATIONALS IN VIEW OF LAWS AND UNDERSTANDINGS IN FORCE NOT ONLY FOR THIS ALLIANCE BUT ALSO FOR OTHER INTERNATIONAL BODIES SUCH AS EEC, OECD, ETC., WE DO FORESEE PROBLEMS WHICH MIGHT ENSUE IN SUCH TAX STATUS CASES AS THE ONGOING PROBLEM OF THE WATER TAX IN THE NETHERLANDS FOR THOSE NATO EMPLOYEES ASSIGNED TO FACILITIES IN THE SEVERAL SPONSOR NATIONS. WE COULD ENVISAGE SUCH A CHANGE FURTHER ENCOURAGING ALL MEMBERS TO TAX OTHER NATIONALS IN ACCORDANCE WITH DOMESTIC TAX TRADITIONS ONCE A BREACH WAS MADE.

5. FINALLY, THERE ARE 26 US NATIONALS WHOSE INDEFINITE CONTRACTS WITH NATO WILL KEEP THEM EMPLOYED FOR SOME YEARS AS DIRECT HIRES. THOSE WITH SALARIES AND EMOLUMENTS OVER $15,000 ADVISE THAT THEY HAVE REPORTED THEIR SALARIES TO IRS AND CLAIMED EXEMPTION UNDER THE OTTAWA AGREEMENT. TO DATE, THESE TAX RETURNS HAVE NOT BEEN CHALLENGED. OF COURSE, WHETHER IT WOULD BE PRUDENT TO EXAMINE THIS SITUATION WITH IRS WITH A VIEW TO POSITIVE EXEMPTION IS A DIFFICULT QUESTION, EXCEPT BY INDIVIDUAL INITIATIVE. WE HAVE ALSO BEEN ADVISED OF ORGANIZATIONAL ACTION IN THE CASE OF US NATIONALS EMPLOYED BY OTHER INTERNATIONAL ORGANIZATIONS SUCH AS THE UN AND OECD WHEREIN ARRANGEMENTS ARE MADE WHICH IN EFFECT CONFER TAX EXEMPT STATUS BY REFUNDING TAXES PAID BY THE INDIVIDUAL. OF COURSE, WE COULD ANTICIPATE SUCH REFUNDS BEING CHARGED AGAINST US CONTRIBUTIONS, THE LEGALITY OF WHICH COULD BE SUBJECT TO QUESTION. IN ANY EVENT, A CERTAIN PROBLEM WILL CONTINUE TO EXIST FOR THESE INDEFINITE HIRES UNTIL THEY RETIRE AT AGE 65.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 USNATO 06776 02 OF 02 101645Z

YET, THEY WILL PROBABLY PREFER TO ACCEPT THIS PROBLEM RATHER THAN TO AGREE TO A CHANGE TO SECONDMENT, PARTICULARLY WHERE EARNINGS WOULD DROP MARKEDLY FOR THOSE WHO HAVE ALREADY RETIRED FROM US GOVERNMENT SERVICE.

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

6. AS NOTED IN PARAGRAPH 4, REFTEL A, WE BELIEVE IN DUE COURSE THAT WE MUST RESPOND IN SOME FASHION TO THE NATO TERMINATION ACTION AND WILL AWAIT FURTHER GUIDANCE. WILSON

LIMITED OFFICIAL USE

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 10 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978USNATO06776
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780282-0320
Format: TEL
From: USNATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780777/aaaacnba.tel
Line Count: 228
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 555c6078-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 USNATO 4789, 78 STATE 160921
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2059954
Secure: OPEN
Status: NATIVE
Subject: NATO DIRECT HIRE OF U.S. CITIZENS
TAGS: AORG, NATO
To: STATE DOD
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/555c6078-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014